

BAY STATE GAS COMPANY
STATEMENT OF ACTUAL AND PRO FORMA CAPITALIZATION
AS OF NOVEMBER 30, 2002

ACTUALADJUSTED TO REFLECT \$50 MILLION
REQUESTED LONG TERM DEBT

	AMOUNT	PERCENT OF TOTAL	AMOUNT	PERCENT OF TOTAL
LONG TERM DEBT [1]	\$80,500,000	33.22%	\$130,500,000	44.64%
COMMON STOCK	100	0.00%	100	0.00%
ADDITIONAL PAID IN CAPITAL [2]	136,859,895	56.48%	136,859,895	46.82%
RETAINED EARNINGS [3]	<u>24,969,171</u>	<u>10.30%</u>	<u>24,969,171</u>	<u>8.54%</u>
TOTAL COMMON EQUITY	\$161,829,166	66.78%	\$161,829,166	55.36%
TOTAL PERMANENT CAPITAL	\$242,329,166	100.00%	\$292,329,166	100.00%

NOTES

[1] EXCLUDES CURRENT MATURITIES

[2] ADJUSTED TO ELIMINATE PREMIUM ASSOCIATED WITH SUBSIDIARIES AND ACQUISITION PREMIUM BOOKED DURING THE MERGER WITH NISOURCE, INC. (FORMERLY NIPSCO)

[3] ADJUSTED TO ELIMINATE RETAINED EARNINGS ASSOCIATED WITH SUBSIDIARIES AND ACQUISITION PREMIUM BOOKED DURING THE MERGER WITH NISOURCE, INC. (FORMERLY NIPSCO)

BAY STATE GAS COMPANY
COMPARISON OF NET UTILITY PLANT WITH CAPITAL [1]
AS OF NOVEMBER 30, 2002

	<u>ACTUAL</u>	<u>\$50 MILLION REQUESTED LONG TERM DEBT</u>
NET UTILITY PLANT		
Gross Utility Plant [2]	\$716,095,530	\$716,095,530
Depreciation [3]	<u>(245,452,471)</u>	<u>(245,452,471)</u>
TOTAL NET UTILITY PLANT	\$470,643,059	\$470,643,059
PERMANENT CAPITAL		
Long Term Debt	\$80,500,000	\$130,500,000
Common Stock	<u>136,859,995</u>	<u>136,859,995</u>
TOTAL PERMANENT CAPITAL WITHOUT RETAINED EARNINGS	\$217,359,995	\$267,359,995
EXCESS OF NET UTILITY PLANT OVER PERMANENT CAPITAL	<u>\$253,283,064</u>	<u>\$203,283,064</u>

NOTES

[1] AMOUNTS REFLECT UTILITY PLANT AND CAPITAL FUNDS USED ONLY TO FINANCE THE MASSACHUSETTS UTILITY OPERATIONS OF BAY STATE GAS AND NOT THE CONSOLIDATED ENTITY. ACCORDINGLY, PLANT AND CAPITAL INVESTED IN SUBSIDIARIES HAVE BEEN EXCLUDED.

[2] GROSS UTILITY PLANT HAS BEEN ADJUSTED FOR THE ACQUISITION PREMIUM BOOKED DURING THE MERGER WITH NISOURCE, INC. (FORMERLY NIPSCO)

[3] DEPRECIATION HAS BEEN ADJUSTED FOR THE AMORTIZATION OF THE ACQUISITION PREMIUM.

Exhibit No. 6A

BAY STATE GAS COMPANY
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2002
(PRO FORMA)

	DECEMBER, 2002	ADJUSTMENTS	PROFORMA
Gas Revenue	\$326,841,000	0	\$326,841,000
Gas Purchase Expense	<u>167,572,000</u>	<u>0</u>	<u>167,572,000</u>
Plant Revenue	\$159,270,000	0	\$159,270,000
O&M Expenses	\$89,633,000	0	\$89,633,000
Depreciation	38,026,000	0	38,026,000
Other Taxes	<u>10,421,000</u>	<u>0</u>	<u>10,421,000</u>
Total Operating Expenses	\$138,080,000	0	\$138,080,000
Operating Income	\$21,190,000	0	\$21,190,000
Other Income	(\$376,000)	0	(\$376,000)
Interest Expense	\$13,601,000	\$242,750	\$13,843,750
Income Taxes	\$4,721,000	(\$97,100)	\$4,623,900
Net Income	\$2,492,000	(\$145,650)	\$2,346,350

NOTE: ASSUMING AN INTEREST RATE OF 7.75%

BAY STATE GAS COMPANY
INCOME STATEMENT
FOR THE PERIOD ENDING DECEMBER 31, 2002
(PRO FORMA)

	DECEMBER, 2002	ADJUSTMENTS	PROFORMA
Gas Revenue	\$326,841,000	0	\$326,841,000
Gas Purchase Expense	<u>167,572,000</u>	<u>0</u>	<u>167,572,000</u>
Plant Revenue	\$159,270,000	0	\$159,270,000
O&M Expenses	\$89,633,000	0	\$89,633,000
Depreciation	38,026,000	0	38,026,000
Other Taxes	<u>10,421,000</u>	<u>0</u>	<u>10,421,000</u>
Total Operating Expenses	\$138,080,000	0	\$138,080,000
Operating Income	\$21,190,000	0	\$21,190,000
Other Income	(\$376,000)	0	(\$376,000)
Interest Expense	\$13,601,000	(\$257,250)	\$13,343,750
Income Taxes	\$4,721,000	\$102,900	\$4,823,900
Net Income	\$2,492,000	\$154,350	\$2,646,350

NOTE: ASSUMING AN INTEREST RATE OF 6.75%